

Message Text

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ORIGIN XMB-07

INFO OCT-01 ARA-16 ADP-00 AID-20 CIAE-00 COME-00 EB-11

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DRAFTED BY: XMB:AMOHANIAN

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FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA

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E.O. 11652: NA

TAGS: APUB, GT

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO GUATEMALA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
LOAN OF DOLS 13.5 MILLION TO EXPLORACIONES Y EXPLOTACIONES
MINERAS IZABAL, S.A. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE
IN WASHINGTON, D.C. FOR AM PAPERS, WEDNESDAY, JULY 18, 1973.

QUOTE: EXIMBANK SUPPORTS DOLS 30 MILLION SALE OF U.S. EQUIP-
MENT FOR NICKEL PRODUCTION IN GUATEMALA

TO HELP FINANCE A DOLS 30 MILLION SALE OF U.S. EQUIPMENT,
MATERIALS AND SERVICES REQUIRED FOR ESTABLISHMENT OF A NICKEL
PRODUCING FACILITY IN GUATEMALA, THE BOARD OF DIRECTORS OF THE
EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT
LOAN OF DOLS 13.5 MILLION TO FINANCE 45 PERCENT OF THE U.S.
COSTS AND A FINANCIAL GUARANTEE OF A LOAN OF DOLS 13.5 MILLION

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FROM PRIVATE SOURCES NOT YET DESIGNATED TO FINANCE

ANOTHER 45 PERCENT OF THE U.S. COSTS, ACCORDING TO EXIM-BANK'S CHAIRMAN HENRY KEARNS.

THE BORROWER, EXPLORACIONES Y EXPLOTACIONES MINERAS IZABAL, S.A. (EXMIBAL), WILL MAKE CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS OR DOLS 3 MILLION. EXIMBANK IS ALSO PROVIDING A FINANCIAL GUARANTEE OF A LOCAL COST LOAN OF DOLS 4.5 MILLION.

THE PROJECT FOR WHICH FINANCING IS BEING EXTENDED IS FOR ESTABLISHMENT OF A ONE-LINE FACILITY WITH CAPACITY TO PRODUCE UP TO 28,000,000 POUNDS OF NICKEL ANNUALLY IN THE FORM OF A 75 PERCENT NICKEL CONVERTER MATTE.

ESTABLISHED IN 1960, EXMIBAL IS A GUATEMALAN CORPORATION IN WHICH THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED HOLDS AN 80 PERCENT INTEREST AND HANNA MINING COMPANY 20 PERCENT.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN JULY 1, 1977, WITH EXIMBANK'S DIRECT LOAN OF DOLS 13.5 MILLION TO BE REPAID OUT OF THE LAST 10 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. UNQUOTE RUSH

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